GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2152
ANSWERED ON:14.12.2004
REFORMS IN POWER SECTOR
Rawale Shri Mohan

Will the Minister of POWER be pleased to state:

(a) whether the power sector reforms have made significant achievements;

(b) if so, the extent of power saved as a result thereof;

(c) whether any road map for future reforms in power sector has been prepared;

(d) if so, the details thereof; and

(e) the extent to which the transmission and distribution losses of power are likely to be reduced?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) to (e) : Yes, Sir. The focus of power sector reforms is on metering of all consumers, energy audit, improvement of billing and collection efficiency, reduction of technical and commercial losses, reduction and elimination of theft of power, constitution and operationalisation of State Electricity Regulatory Commission, achievement of commercial viability in a time bound manner. The Ministry of Power has signed Memorandum of Agreement (MoA) with States on power sector reform envisaging support of Central Government subject to States progressing satisfactorily on agreed reform agenda.

State Electricity Regulatory Commissions (SERCs) have been constituted in 24 States. Eighteen SERCs have issued tariff orders.

Feeder metering and consumer metering have been achieved to the extent of 95% and 87% in the country.

The Electricity Act, 2003 has been enacted to provide liberal framework for development of the power sector. It reduces the entry barrier in different segments of power supply industry. This is expected to encourage competition and in turn efficiency improvements. It also provides for stringent measures for dealing with theft of electricity.

Funds are provided to States under Accelerated Power Development and Reforms Programme (APDRP) for investment in identified distribution areas for, inter alia, reducing technical losses and improving the quality of supply and also for incentivising, through grants, reduction of cash losses.

Five States have been provided incentive for actual reduction in losses. State-wise and year-wise details are as under:

Incentive released (Rs. Crores)

Sl. No.	States	2002-03	2003-04	Total
1.	Andhra Pradesh		265.11	265.11
2.	Gujarat	236.38		236.38
3.	Haryana	5.01	100.48	105.49
4.	Maharashtra	137.89		137.89
5.	Rajasthan		137.71	137.71

Total	379.28	503.30	882.58

Past debts of SEBs due to Central Public Sector Undertakings have been securitised under tripartite agreements.

Financial conditions of States utilities have started showing improvement. According to a study done by PFC for 16 States operating losses of State power utilities has reduced to Rs.17593 crore in 2002-03 from Rs.25207 crore from 2001-02. Payment of dues to Central Public Sector Utilities of power sector has improved from 76% in 2000-01 to almost 100% in 2003-04.

By reducing the technical losses, controlling theft of electricity, adopting energy accounting and energy conservation measures, losses are required to be brought down to normative levels.